

BEFORE THE  
**Federal Communications Commission**  
WASHINGTON, D.C. 20554

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In the Matter of )

Amendment to the Commission's  
Regulatory Policies Governing  
Domestic Fixed Satellites and  
Separate International  
Satellite Systems )

IB Docket No. 95-41

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JUN 23 1995

FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF SECRETARY

To: The Commission

REPLY COMMENTS OF TRW INC.

TRW Inc. ("TRW"), by its attorneys and pursuant to Sections 1.415 and 1.419 of the Commission's rules, hereby replies to the comments filed by various parties in the above-captioned proceeding.

In its Notice of Proposed Rule Making in this proceeding, the Commission sought comment on, inter alia, its decision not to make proposals on the extent to which Comsat should be allowed to provide domestic service using Intelsat capacity, and the extent to which Inmarsat should be permitted to serve the U.S. market.<sup>1/</sup> Virtually every party commenting on these issues either urges the Commission not to attempt to

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<sup>1/</sup> See Amendment to the Commission's Regulatory Policies Governing Domestic Fixed Satellites and Separate International Satellite Systems, FCC 95-146 (IB Docket No. 95-41), slip op. at ¶ 39 (April 25, 1995) ("NPRM").

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resolve such matters in the instant proceeding, or opposes Comsat's provision of domestic service via Intelsat and/or Inmarsat facilities outright.<sup>2/</sup>

The only party supporting Comsat's unfettered provision of service via Intelsat or Inmarsat facilities in the U.S. market is Comsat itself. Comsat argues that it is similarly situated to other satellite providers with which it competes, and has no international market power that it can leverage within the U.S. market. Comsat therefore asserts that it should be permitted to offer domestic and international service.<sup>3/</sup>

Comsat's arguments ignore the simple fact that its exclusive status as the sole U.S. Signatory to Intelsat and Inmarsat gives it the ability to exploit those intergovernmental organizations' many privileges and immunities. Based on the scope and organizational structure of their government-assisted operations, Intelsat and Inmarsat both have the ability to raise funds that their private competitors do not, and to cross-

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<sup>2/</sup> See, e.g., Columbia Comments at 8-11; PanAmSat Comments at 8; GE Americom Comments at 12-13; AT&T Comments at 13-14; Orion Comments at 4-5; Constellation Comments at 2-4; Motorola Comments at 1-3; WorldCom Comments at 4; AT&T Comments at 13-14; Comments of Capital Cities/ABC, CBS, NBC and Turner Broadcasting at 17-18; TRW Comments at 2-3.

<sup>3/</sup> See Comsat Comments at 5, 10-11.

subsidize services in order to gain the upper hand in certain markets. TRW urges the Commission to explore these advantages carefully, but submits that such intricacies are beyond the scope of the instant proceeding.

As TRW observed in its Comments, the Commission has been asked to address Comsat's provision of service in the U.S. market via Intelsat or Inmarsat facilities in its ongoing proceeding regarding Market Entry and Regulation of Foreign-Affiliated Entities.<sup>4/</sup> In addition, the Commission currently has before it applications from Comsat for authority (a) to participate in the procurement of facilities of the I-CO Global Communications Limited System,<sup>5/</sup> and (b) to provide U.S. domestic land and aeronautical mobile satellite services via

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<sup>4/</sup> See Market Entry and Regulation of Foreign-Affiliated Entities, FCC 95-53 (IB Docket No. 95-22, RM-8355, RM-8392), slip op. (Notice of Proposed Rule Making) (released Feb. 17, 1995).

<sup>5/</sup> File No. 106-SAT-MISC-95 (filed May 1, 1995).

Inmarsat facilities.<sup>6/</sup> There is therefore no need for the Commission to duplicate its efforts by addressing such matters in this proceeding.

Respectfully submitted,

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June 23, 1995

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<sup>6/</sup> File No. ITC-95-341 (filed May 11, 1995).